



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 14, 2001

### **H.R. 2538** **Native American Small Business Development Act**

*As ordered reported by the House Committee on Small Business on August 1, 2001*

#### **SUMMARY**

H.R. 2538 would authorize the Small Business Administration (SBA) to issue grants to small business development centers (SBDCs) for new programs that assist Native Americans who are starting or expanding small businesses on tribal lands. SBDCs are jointly funded by the private sector, schools, and federal, state, and local governments to provide management assistance to current and prospective small business owners.

H.R. 2538 would authorize the appropriation of \$7 million a year during the 2002-2004 period to fund the new program. Based on the SBA's historical spending patterns, CBO estimates that implementing the bill would cost \$20 million over the 2002-2006 period, assuming the appropriation of the necessary amounts. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 2538 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit tribally owned small businesses to the extent that they receive services from SBDCs. The bill would impose no significant costs on state or local governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2538 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars				
	2002	2003	2004	2005	2006
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Authorization Level	7	7	7	0	0
Estimated Outlays	5	6	7	2	*
* = Less than \$500,000.					

**PAY AS YOU GO CONSIDERATIONS:** None.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2538 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit tribally owned small businesses to the extent that they receive services from SBDCs. The bill would impose no significant costs on state or local governments.

### **ESTIMATE PREPARED BY:**

Federal Costs: Ken Johnson

Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins

Impact on the Private Sector: Cecil McPherson

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis